



# **Fundamental Report**

## **28 August 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.8788	16.9682	0.0894	0.53%
Euro/Rand	19.9457	20.1092	0.1635	0.82%
GBPound/Rand	22.2692	22.4679	0.1987	0.89%
AusDollar/Rand	12.2366	12.3647	0.1281	1.05%
Euro/USDollar	1.1821	1.1851	0.0030	0.25%
GBPound/USDollar	1.3196	1.3240	0.0044	0.33%
AusDollar/USDollar	0.7250	0.7287	0.0037	0.51%
JpyYen/USDollar	105.9800	106.8700	0.8900	0.84%

BDLive - The JSE gained again while the rand weakened to back above R17/5 on Thursday as investors digested the changes to the US Federal Reserve's policy framework.

US Fed chair Jerome Powell, during his speech at the Jackson Hole economic symposium, said that the Fed seeks to achieve inflation averaging 2% over time.



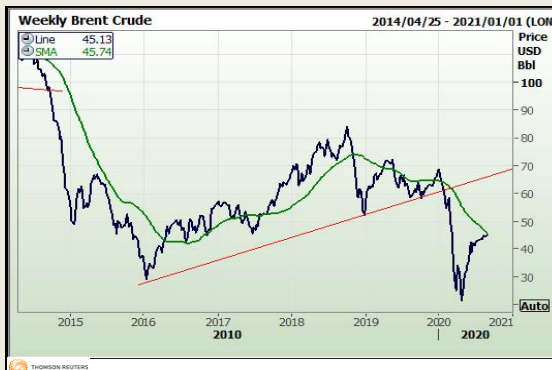
### Commodities

	Last	Value Change	% Change
Platinum	929.18	0.43	0.05%
Gold	1938.59	9.68	0.50%
Silver	27.21	0.17	0.61%
Copper	3.01	0.02	0.78%
Gasoil	364.00	1.50	0.41%
Brent Oil	45.13	0.04	0.09%

BDLive - New York — Gold fell in volatile trading on Thursday as the US dollar and Treasury yields rose after Federal Reserve chair Jerome Powell shifted the central bank's inflation target in a widely expected move. Spot gold fell 1.72% to \$1,921.10/oz after midday in New York. Prices had risen as much as 1.1% during Powell's speech. US gold futures were down 1.4% at \$1,924.60/oz.

The Fed saying it will allow modest overshoot in inflation is very positive for gold, said Daniel Ghali, commodity strategist at TD Securities, "But the market already anticipated that so there is no new impetus to buy gold."

The US central bank rolled out an aggressive new strategy to lift employment and will seek to achieve inflation averaging 2% over time, offsetting below-2% periods with higher inflation "for some time."



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	52583.70	0.00	0.00%
ALSI	52457.00	0.00	0.00%
S&P 500	3478.73	5.82	0.17%
FTSE	6045.60	-45.61	-0.75%
CAC	5015.97	0.00	0.00%
DAX	13096.36	0.00	0.00%
Hang Seng	25281.15	225.05	0.89%



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# Corn / Maize Market

## Chicago Board of Trade

Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
SEP 2020	343.00	344.25	-0.50	1.25	344.50	0.25	1.50
DEC 2020	357.00	358.50	-0.25	1.50	358.75	0.25	1.75
MAR 2021	368.00	369.50	-0.50	1.50	369.25	-0.25	1.25
MAY 2021	374.00	376.00	-0.75	2.00	375.75	-0.25	1.75
JUL 2021	378.00	380.00	-0.50	2.00	380.00	0.00	2.00

FarmFutures - Corn prices trended nearly 1% higher Thursday, as export optimism and lingering worries over crop conditions and damaged grain from storms earlier this month spurred a round of technical buying. September futures added 3.25 cents to \$3.4375, with December futures up 3.5 cents to \$3.5775.

Corn basis bids were unchanged in most locations Thursday, although they did bump 3 cents higher at an Illinois river terminal and 3 cents lower at an Iowa processor today. Private exporters reported two large corn sales to USDA this morning. The first was for 29.4 million bushels for delivery to China, and the second was for 5.5 million bushels for delivery to unknown destinations. Both sales will be delivered during the 2020/21 marketing year, which begins September 1.

Corn exports found another 57.1 million bushels in old and new crop sales last week, climbing to the higher end of trade guesses that ranged between 27.6 million and 59.1 million bushels. Cumulative sales for the 2019/20 marketing year are still well behind last year's pace, however, with 1.660 billion bushels. Meantime, Farm Futures readers have shared their latest field conditions after facing a lot of adverse weather earlier this month. "75% of our corn is flat from the windstorm," one farmer in central Iowa noted. "Not sure what the quality of the corn will be at harvest if we can even get it off the ground at harvest." Click here to read the latest Feedback From The Field farmer anecdotes and view our interactive map.

U.S. corn prices have risen enough that the European Union zeroed out its duty for corn imports. Tariffs are calculated based on the difference between EU and U.S. corn prices, and the zero-rated duties will also apply to rye and sorghum imports.

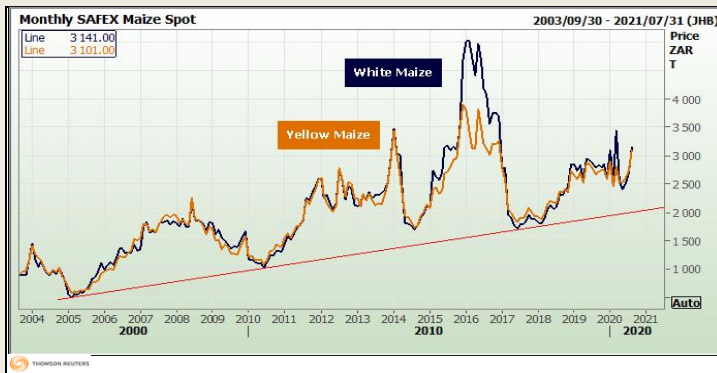
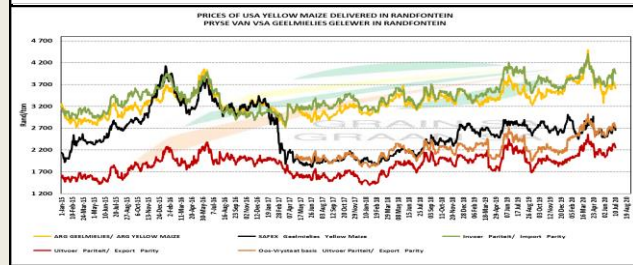
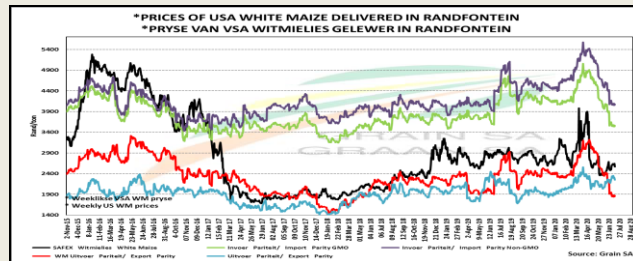
Preliminary volume estimates were for 426,284 contracts, moving moderately above Wednesday's final count of 364,256.



## South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
May 2020				
Jul 2020				
Sep 2020	R 3 141.00	28%	R 22.09	R 3 163.09
Dec 2020	R 3 158.00	28.75%	R 24.25	R 3 182.25
Mar 2021	R 3 127.00	27.25%	R 21.30	R 3 148.30
May 2021	R 2 862.00	0%	R 24.85	R 2 886.85
Jul 2021	R 2 855.00	24%	R 26.66	R 2 881.66
<b>Yellow Maize Future</b>				
May 2020				
Jul 2020				
Sep 2020	R 3 101.00	19.75%	R 22.09	R 3 123.09
Dec 2020	R 3 160.00	19.5%	R 24.25	R 3 184.25
Mar 2021	R 3 128.00	20%	R 21.30	R 3 149.30
May 2021	R 2 859.00	0%	R 24.85	R 2 883.85
Jul 2021	R 2 858.00	18%	R 26.66	R 2 884.66

The local Maize market traded higher yesterday. The Sep'20 WMAZ contract ended R63.00 up and Sep'20 YMAZ closed R57.00 higher. The Dec'20 WMAZ closed higher by R49.00 and Dec'20 YMAZ ended R51.00 up. The parity move for the Sep'20 Maize contract for yesterday was R27.00 positive.

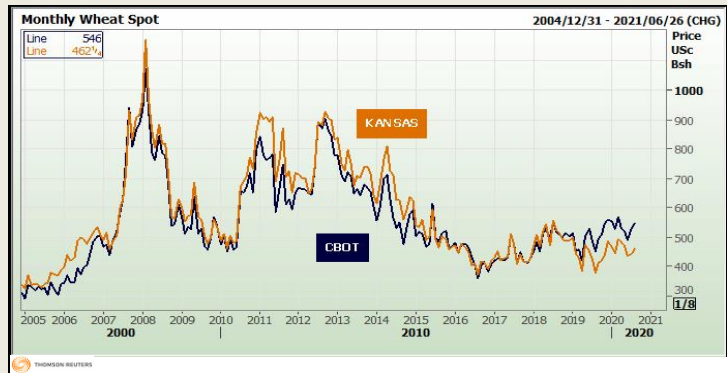


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## Wheat Market

### Chicago Board of Trade and Kansas Board of Trade

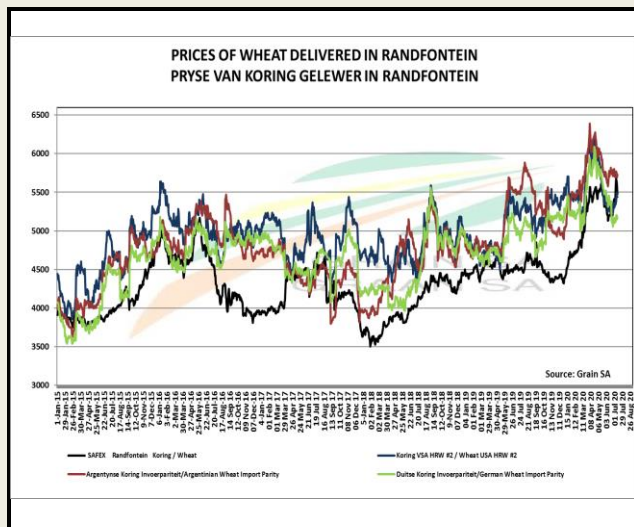
CBOT Wheat									KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm		Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
SEP 2020	537.00	542.50	6.25	5.50	546.00	3.50	9.00		SEP 2010	453.00	460.75	4.25	7.75	462.25	1.50	9.25
DEC 2020	545.00	550.75	5.50	5.75	554.00	3.25	9.00		DEC 2010	464.00	472.25	4.00	8.25	473.75	1.50	9.75
MAR 2021	552.00	557.75	5.00	5.75	560.75	3.00	8.75		MAR 2011	475.00	482.75	4.00	7.75	484.00	1.25	9.00
MAY 2021	555.00	561.50	3.75	6.50	564.00	2.50	9.00		MAY 2011	483.00	490.50	4.25	7.50	490.75	0.25	7.75
JUL 2021	556.00	561.50	3.00	5.50	529.00	-32.50	-27.00		JUL 2011	490.00	498.00	4.25	8.00	499.00	1.00	9.00



FarmFutures - Wheat prices followed corn and soybeans higher after a better-than-expected round of export data from USDA this morning triggered some technical buying. Taiwan and Japan both confirmed purchases of U.S. grain earlier today. September Chicago SRW futures rose 11.5 cents to \$5.4350, September Kansas City HRW futures gained 11.25 cents to \$4.6150, and September MGEX spring wheat futures added 5.25 cents to \$5.2250. Wheat exports jumped 41% above the prior four-week average, with 28.1 million bushels. That tally also surpassed all trade estimates, which ranged between 14.7 million and 25.7 million bushels. Cumulative sales for the 2020/21 marketing year are still tracking slightly ahead of last year's pace, at 222.3 million bushels. Wheat export shipments firmed 59% from a week ago and 31% above the prior four-week average, with 23.8 million bushels. The Philippines topped all destinations, with 3.4 million bushels. Taiwan purchased 3.7 million bushels of milling wheat from the U.S. in a tender that closed earlier today. The grain is for shipment in October and November. South Korea purchased 2.4 million bushels of animal feed wheat from optional origins in an international tender that closed earlier today. Preliminary volume estimates were for 131,524 CBOT contracts, trending slightly above Wednesday's final count of 116,526.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
May 2020				
Jul 2020				
Sep 2020	R 5 200.00	16.5%	R 73.75	R 5 273.75
Dec 2020	R 4 868.00	9.5%	R 74.02	R 4 942.02
Mar 2021	R 4 964.00	0%	R 72.69	R 5 036.69
May 2021				
Jul 2021				
<b>Cape Wheat</b>				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				
Mar 2021				
May 2021				
Jul 2021				



The local Wheat market closed higher yesterday. The Sep'20 Wheat contract closed R152.00 up and Dec'20 Wheat closed R14.00 higher. The parity move for the Sep'20 Wheat contract for yesterday was R81.00 positive.



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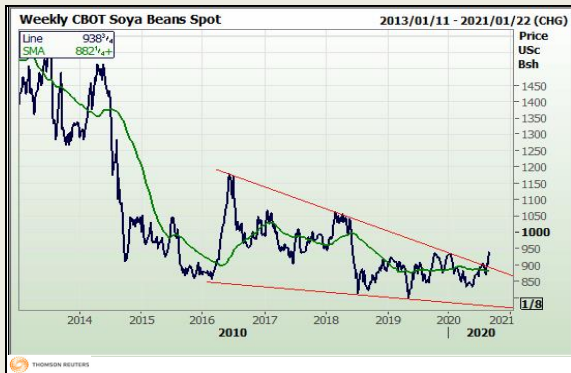
## Oil Seed Market

### Chicago Board of Trade

CBOT Soybean Seed							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
SEP 2020	926.00	937.25	0.00	11.25	902.00	-35.25	-24.00
NOV 2020	930.00	942.00	0.00	12.00	944.75	2.75	14.75
JAN 2021	936.00	947.50	0.00	11.50	950.25	2.75	14.25
MAR 2021	937.00	947.50	-0.50	10.50	950.25	2.75	13.25
MAY 2021	939.00	948.00	-0.25	9.00	950.50	2.50	11.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
SEP 2010	294.9	295.10
OCT 2010	297.7	297.90
DEC 2010	303.1	303.20
JAN 2011	304.9	304.90
MAR 2011	304.9	304.70

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
SEP 2010	33.31	33.72
OCT 2010	33.31	33.66
DEC 2010	33.5	33.84
JAN 2011	33.58	33.91
MAR 2011	33.66	34.01



FarmFutures - Soybean prices enjoyed double-digit gains Thursday on a round of technical buying spurred by export optimism and weather worries – closing nearly 2% higher today. September futures climbed 17.25 cents to \$9.3675, with November futures rising 16.5 cents to \$9.4075.

Soybean basis bids tumbled 20 cents lower at an Ohio elevator Thursday while holding steady across most other Midwestern locations today.

Soybean exports saw just 1.9 million bushels in old crop sales last week but added another 68.9 million bushels in new crop sales for a total tally of 70.8 million bushels. That was on the higher end of trade estimates, which ranged between 44.1 million and 88.2 million bushels. Cumulative totals as the 2019/20 marketing year draws to a close have reached 1.589 billion bushels, which is falling behind last year's pace of 1.653 billion bushels. Soybean export shipments climbed 49% above the prior four-week average to 46.9 million bushels. China was by far the top destination, with 28.0 million bushels. More federal pandemic aid, in the form of the Coronavirus Food Assistance Program (CFAP), is expected to arrive in farmers' mailboxes "shortly after Labor Day, according to U.S. Secretary of Agriculture Sonny Perdue. An additional \$14 billion is expected to be available – click here to learn more.

Preliminary volume estimates were for 342,584 contracts, moving well ahead of Wednesday's final count of 192,042.

### South African Futures Exchange

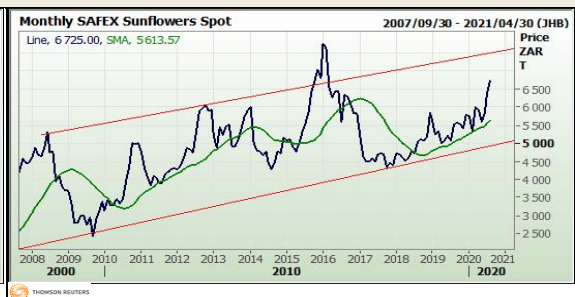
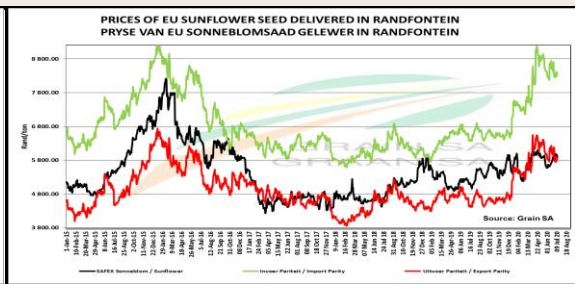
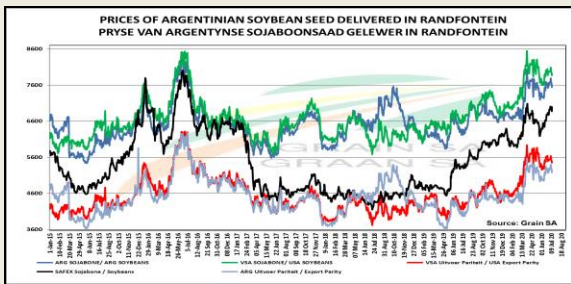
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020				
Sep 2020	R 7 375.00	15%	R -119.22	R 7 255.78
Dec 2020	R 7 426.00	15.5%		R 7 426.00
Mar 2021	R 7 190.00	16%	R 113.39	R 7 303.39
May 2021	R 6 700.00	17%	R 102.54	R 6 802.54
Jul 2021				

Sunflower Seeds Future		
	MTM	Vols
May 2020		
Jul 2020		
Sep 2020	R 6 725.00	11.5%
Dec 2020	R 6 831.00	15%
Mar 2021	R 6 700.00	0%
May 2021	R 6 179.00	21.5%
Jul 2021		



The local Soya market traded higher yesterday. The Sep'20 Soya contract ended R27.00 up and Dec'20 Soya closed R36.00 higher. The parity move for the Sep'20 Soya contract for yesterday was R119.00 positive.

The local Suns market closed higher yesterday. The Sep'20 Suns contract closed R102.00 up and Dec'20 Suns closed R102.00 higher.



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